

Orange County Local Agency Formation Commission

Municipal Service Reviews

FACT SHEET

♦ **What are “municipal service reviews”?**

Municipal service reviews, or “MSRs,” are a new mandate from the state legislature requiring LAFCO to conduct special studies on future growth and how our local agencies will plan for that future growth within our municipal services and infrastructure systems.

♦ **What is LAFCO legally required to do?**

Government Code Section 56430 requires LAFCO to conduct MSRs **regionally or subregionally**, make determinations on local agencies’ **spheres of influence**, and make **nine determinations** about present and future opportunities, constraints, and needs. The nine required determinations are:

- (1) Infrastructure needs or deficiencies
- (2) Growth and population projections for the affected area
- (3) Financing constraints and opportunities
- (4) Cost avoidance opportunities
- (5) Opportunities for rate restructuring
- (6) Opportunities for shared facilities
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
- (8) Evaluation of management efficiencies
- (9) Local accountability and governance

♦ **What is a “sphere of influence”?**

A sphere of influence, or “SOI,” is a long-range planning tool that:

- Guides future LAFCO decisions on jurisdictional boundary changes for local agencies, such as annexations.
- Assists local agencies in planning for their future and probable service areas.
- Promotes cooperative planning efforts among the County, cities, and special districts, and facilitates the logical and efficient extension of services and facilities by those agencies.

♦ **What is LAFCO's approach to MSRs in Orange County?**

Orange County LAFCO proposes a unique and innovative, strategic and programmatic approach to the MSRs based on a set of **guiding principles**:

- MSRs should be **future-oriented** studies that address future growth and municipal service and infrastructure needs and opportunities over the next 15 to 20 years.
- MSRs should be **valuable to the stakeholders and the public as the ultimate end-users** of the studies.
- MSRs should be conducted through an **open and inclusive process**.

♦ **What areas of Orange County will the MSRs focus on?**

The MSRs will address both of Orange County's **urban core** and **urban fringe** areas.

- **Urban Core**: Orange County's older, more established areas developed prior to 1970. Municipal service issues for these areas generally focus on declining revenue streams, increasing housing and public service needs, urban runoff, and aging infrastructure.
- **Urban Fringe**: Orange County's newer, more recently developed or developing areas built after 1970. Municipal service issues for these areas lean more toward the extension of new infrastructure, public services and facilities, and structures of governance.